

**Madison Parish Police Jury
Tallulah, Louisiana**

Basic Financial Statements

And Independent Auditor's Report

As of and for the Year Ended December 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/23/09

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Madison Parish Police Jury
Basic Financial Statements
And Independent Auditor's Report
As of and for the Year Ended December 31, 2008

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Independent Auditor's Report

Police Jurors
Madison Parish Police Jury
Tallulah, Louisiana

I have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish Police Jury as of and for the year ended December 31, 2008, which collectively comprise the basic financial statements of the parish's primary government as listed in the table of contents. These financial statements are the responsibility of the Madison Parish Police Jury's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

The financial statements do not include financial data of the police jury's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data of those component units to be reported with the financial data of the parish's primary government unless the police jury also issues financial statements for the financial reporting entity that include the financial data for its component units. The police jury has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the statement of net assets and the statement of activities are understated by the amount of assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units. In addition the aggregate remaining fund information is understated by the amount of assets, liabilities, fund balances, revenues, and expenditures of the omitted component units. The amounts by which this departure would affect the financial statements is not reasonably determinable.

In my opinion, because of the omission of the discretely presented component units, as discussed above, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the aggregate discretely presented component units of the Madison Parish Police Jury as of December 31, 2008, or the changes in financial position thereof for the year then ended.

Independent Auditor's Report
Page Two

In addition, in my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information for the primary government of Madison Parish as of December 31, 2008, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Further, in my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Madison Parish Police Jury as of December 31, 2008, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management's discussion and analysis on pages 4 through 12 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Madison Parish Police Jury's basic financial statements. The budgetary comparison schedules on pages 39 through 44, which are supplementary information required by accounting principles generally accepted in the United States of America, the schedule of expenditures of federal awards on page 62, which is required by U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations*, and the other supplementary information schedules on pages 51 - 56 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The budgetary comparison schedules, the schedule of expenditures of federal awards, and other supplementary information schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are presented fairly in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated June 30, 2009, on the Madison Parish Police Jury's compliance with certain provisions of laws, regulations, contracts, and grants and my audit consideration of the agency's internal control over financial reporting. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Tallulah, Louisiana
June 30, 2009



REQUIRED SUPPLEMENTAL INFORMATION

**Management's Discussion
and Analysis**

Madison Parish Police Jury

Management's Discussion and Analysis (MD&A) December 31, 2008

This discussion and analysis of Madison Parish Police Jury's financial performance provides an overview of the Police Jury's financial activities for the year ended December 31, 2008.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* issued June 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

The MD&A provides insights into the results of this year's operations:

Total governmental activities revenues received for December 31, 2008, was \$6,051,182. This is a decrease of \$139,756, or a 2% change from the year ended December 31, 2007. This decrease is due mainly to decrease in ad valorem taxes, off track betting fees and video poker receipts.

Governmental expenditures for 2008 were \$5,427,670. This is a decrease of \$234,053, or a 4% change from the year ended December 31, 2007.

For the year ended December 31, 2008, General Fund reported \$950,507 in revenues, a decrease of \$39,660, or 4% from revenue received for the year ended December 31, 2007. This decrease was primary due to an decrease in federal grants.

When compared to 2007, in 2008 the Police Jury reported \$991,662 in expenditures for the General Fund and \$1,041,769 in expenditures for 2007. This change represents a 5% decrease from 2007 to 2008.

For the year ended December 31, 2008, revenue in Courthouse and Jail Fund was \$620,623, or an increase of \$160,081, when compared to the previous year. This increase was in Ad Valorem tax revenue.

Using This Annual Report

The Police Jury's annual report consists of a series of financial statements that show information for the Police Jury as a whole, and its funds. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Police Jury as a whole and present a more long-term view of the Police Jury's finances. The fund financial statements are included later in this report. For governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insight into the Police Jury's overall financial health. Fund financial statements also report the Police Jury's operations in more detail than the government-wide financial statements by providing information about the Police Jury's most significant funds - the General Fund, Library, Garbage Maintenance, Health Unit, Public Works, and Courthouse and Jail.

The following chart reflects the information included in this annual report.

Required Supplemental Information

Management's Discussion & Analysis (MD & A)

Basic Financial Statements

**Government-Wide
Financial Statements**

**Fund
Financial Statements**

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Corrective Action Plan for Current-Year Findings

Management's Discussion and Analysis
Page Three

Our auditor has provided assurance in his Independent Auditor's Report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements, after considering the fact that certain component units are not included, are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the Required Supplemental Information (RSI) and the Supplemental Information. A user of this report should read the Independent Auditors' Report carefully to ascertain the level of assurance being provided for each part of this report.

Reporting the Police Jury as a Whole

The Statement of Net Assets and the Statement of Activities. Our analysis of the Police Jury as a whole begins on page 7. One of the most important questions asked about the Police Jury is, "Is the Police Jury as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the Police Jury's financial statements, report information on the Police Jury as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Police Jury's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the Police Jury's financial health, or financial position. Over time, increases or decreases in the Police Jury's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the Police Jury's operating results. However, the Police Jury's goal is to provide services to our citizens, not to generate profits as commercial entities do. One must consider many other nonfinancial factors, such as the quality of health and welfare services provided to parish citizens and the condition of roads, bridges and drainage systems to assess the overall health of the Police Jury.

The Statement of Net Assets and Statement of Activities report the following activity for the Police Jury:

Governmental activities - All of the Police Jury's services are reported here, including public works and health and welfare services. Property taxes, severance taxes, and state and federal grants finance most of these activities.

Reporting the Police Jury's Most Significant Funds

Fund Financial Statements. The Police Jury's fund financial statements, which begin on page 17, provide detailed information about the most significant funds - not the Police Jury as a whole. Some funds are required to be established by State law and by bond covenants. However, the Police Jury establishes many other funds to help it control and manage money for particular purposes (like the Criminal Court Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Police Jury's governmental funds use the following accounting approach:

Governmental funds - All of the Police Jury's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Police Jury's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Police Jury's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciling statements D and F.

The Police Jury as a Whole. The Police Jury's net assets were \$9,098,220, at December 31, 2008. Of this amount, \$510,234, was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the Police Jury's ability to use those net assets for day-to-day operations. Our analysis of the primary government focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Police Jury's governmental activities.

Table 1
Net Assets
Years Ended December 31, 2007 and 2008

	Governmental Activities	
	2007	2008
Current and other assets	\$ 3,824,574	\$4,105,734
Capital assets	5,828,455	6,325,960
Total assets	<u>9,653,029</u>	<u>10,431,694</u>
Current and other liabilities	890,400	609,699
Long-term liabilities	1,132,379	723,775
Total liabilities	<u>2,022,779</u>	<u>1,333,474</u>
Net assets		
Invested in capital assets, net of debt	5,639,317	6,278,391
Restricted	1,770,948	2,309,595
Unrestricted	219,985	510,234
Total net assets	<u>\$ 7,630,250</u>	<u>\$9,098,220</u>

Net assets of the Police Jury's governmental activities for December 31, 2008, were \$9,098,220. Unrestricted assets are part of net assets that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was \$510,234.

The results of this year's operations for the primary government as a whole are reported in the Statement of Activities. Table 2, on the next page, takes the information from that Statement and rearranges them slightly so you can see our total revenues for the year.

Table 2
Changes in Net Assets
Year's Ended December 31, 2007 and 2008

	2007	2008
Revenues:		
Program revenues		
Charges for services	\$ 780,568	\$ 791,903
Federal grants	1,455,714	908,361
State grants & entitlements	1,059,157	1,278,096
General Revenues		
Ad valorem taxes	2,206,456	2,229,682
State revenue sharing	96,161	94,198
Other general revenues	592,882	954,326
Total revenues	<u>6,190,938</u>	<u>6,256,566</u>
Functions/Programs Expenses:		
General government:		
Legislative	113,010	94,553
Judicial	596,705	641,024
Elections	28,690	58,399
Finance and administrative	178,540	203,708
Other general government	116,834	93,256
Public safety	818,261	886,620
Public works	1,951,314	2,161,490
Health and welfare	85,315	92,590
Culture and recreation	324,744	313,522
Economic development and assistance	62,515	45,876
Transportation	32,472	85,850
Miscellaneous	94,176	85,430
Interest on long-term debt	39,980	26,278
Total expenses	<u>4,442,556</u>	<u>4,788,596</u>
Increase in net assets	<u>\$ 1,748,382</u>	<u>\$ 1,467,970</u>

Governmental Activities. As reported in the Statement of Activities, the cost of all of our governmental activities this year was \$ 4,788,596. However, the amount that our taxpayers ultimately financed for these activities through Police Jury taxes was only \$ 2,229,682, because some of the cost was paid by those who benefited from the programs or by other governments and organizations who subsidized certain programs with grants and contributions.

Management's Discussion and Analysis
Page Seven

In the table below, we have presented the cost of each of the Police Jury's six largest functions - judicial, finance and administrative, public safety, public works, health and welfare, and culture and recreation, as well as each program's net cost (total cost less revenues generated by the activities). As discussed above, net cost shows the financial burden that was placed on the Police Jury's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Governmental Activities
For the Years Ended December 31, 2007 and 2008

Governmental Activities	Total Cost of Services		Net Cost of Services	
	2007	2008	2007	2008
Judicial	\$ 596,705	\$ 641,024	\$ (340,986)	\$ (421,506)
Finance and Administrative	178,540	203,708	396,808	255,701
Public Safety	818,261	886,620	(672,522)	(879,733)
Public Works	1,951,314	2,161,490	36,428	(214,140)
Health & Welfare	85,315	92,590	(77,831)	(40,675)
Culture and Recreation	324,744	313,522	(286,092)	(276,464)
All Others	487,677	489,642	(202,923)	(233,419)
Total Functions/Program Expenses	<u>\$4,442,556</u>	<u>\$4,788,596</u>	<u>\$(1,147,118)</u>	<u>\$ (1,810,236)</u>

The Police Jury's Funds. As we noted earlier, the Police Jury uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the Police Jury is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the Police Jury's overall financial health.

As the Police Jury completed this year, our governmental funds reported a combined fund balance of \$ 2,811,558 which is an increase of \$ 623,512 from last year. The primary reason for these increases are:

Our general fund is our principle operating fund. The fund balance in the general fund increased by \$ 5,845, to \$ 21,845 as the ending fund balance at December 31, 2008. The increase is due mainly to transfers in.

Our Library fund accounts for the public library. This fund showed a decrease of \$ 2,873 to \$ 423,539. The decrease was due to a decrease in revenue.

The Garbage Maintenance accounts for the parish garbage collection services. This fund showed a decrease of \$ 64,964 to \$ 338,326. The decrease is due to a reduction in revenue.

The Health Unit fund accounts for the parish health center. This fund showed an increase of \$ 84,955, to \$ 815,716. The increase was due additional tax revenue and maintaining expenditures at a reduced level.

The Public Works fund accounts for funds used to maintain the parish roads and streets. This fund showed an increase of \$ 348,198, to \$ 554,730. The increase is due mainly to a reduction in operating expenses. This is the second year in a row the fund has operated with a surplus.

The Courthouse and Jail fund accounts for funds used to maintain the courthouse, courthouse annex, jail, and the feeding, maintenance and transporting of parish inmates. This fund showed an increase of \$ 163,760, to \$ 155,417. The increase was due to the correct allocation of ad valorem taxes in the current year.

The Other Governmental funds are comprised of the debt service fund and special revenue funds (Rural Development, Criminal Court, E-911, Memorial, Tri-Delta Share Grant, Grant Fund, LTD Tax Certificate of Indebtness, LCDBG, USDA Note, Mosquito Control, Witness Fees, FEMA Disaster, Emergency Shelter Donation, Council on Aging, and Building Fund). The combined funds showed an increase of \$88,591 to \$ 501,985. The primary reason for the increase is due to transfers from other funds.

General Fund Budgetary Highlights. Over the course of the year, the Police Jury revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the Police Jury's original and final budget amounts compared with amounts actually paid and received is provided later in this report).

There were revisions made to the 2008 general fund original budget. The primary change was to correct the beginning budgeted fund balance and to add \$ 366,650 in revenues, and \$ 47,206 in expenditures .

CAPITAL ASSETS

Capital Assets at Year Ended December 31, 2007 and 2008

	<u>2007</u>	<u>2008</u>
Land	\$ 430,545	\$ 430,545
Buildings and improvements	5,282,050	5,282,050
Equipment and furniture (including vehicles)	2,331,334	2,233,432
Books and periodicals	312,095	324,293
Quebec Road	<u>3,017,840</u>	<u>3,771,405</u>
Total capital assets	11,373,864	12,041,724
Accumulated depreciation	<u>5,545,409</u>	<u>5,715,764</u>
Net capital assets	<u>\$ 5,828,455</u>	<u>\$ 6,325,960</u>

Debt. At December 31, 2008, the Police Jury had Notes Payable of \$47,569, to the USDA in which required payments are made with ad valorem taxes from the USDA Note Fund. There was a prior year liability of \$177,500, for claims and judgments.

During 2008, the Police Jury issued a series of Certificates of Indebtness in the amount of \$498,706 for the purpose of paying current operating costs in anticipation of revenues for 2008. The Certificates of Indebtness are payable March 1, 2009, both principal and interest. See note 12 for further details of debt.

Contacting the Police Jury's Financial Management. Our financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the Police Jury's finances and to show the Police Jury's accountability for the money it receives. If you have questions about this report or wish to request additional information, contact Ms. Margaret Dew, Secretary/Treasurer, Courthouse Building, Madison Parish Police Jury, 100 North Cedar Street, Tallulah, LA 71281, telephone number (318) 574-3451.

BASIC FINANCIAL STATEMENTS

**Government-wide
Financial Statements**

MADISON PARISH POLICE JURY
STATEMENT OF NET ASSETS
DECEMBER 31, 2008

Statement A

	<u>Primary Government Governmental Activities</u>
Assets	
Cash and cash equivalents	\$ 1,105,982
Investments	258,954
Receivables (net)	2,740,798
Capital assets, net	<u>6,325,950</u>
Total Assets	<u>10,431,694</u>
Liabilities	
Bank overdrafts	435,257
Accounts, salaries and other payables	154,827
Interest payable	19,615
Long-term liabilities	
Due within one year	546,275
Due in more than one year	<u>177,500</u>
Total Liabilities	<u>1,333,474</u>
Net Assets	
Invested in capital assets, net of related debt	6,278,391
Restricted for:	
Library	447,619
Garbage collection	400,783
Health unit	827,491
Drainage and roads	629,749
Capital projects	3,953
Unrestricted	<u>510,234</u>
Total Net Assets	<u>\$ 9,098,220</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

MADISON PARISH POLICE JURY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Statement B

Functions/Programs	Expenses	Program Revenues			Primary Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense)
					Revenue and Changes in Net Assets
Primary Government: Governmental Activities:					
General government:					
Legislative	\$ 94,553	\$ -	\$ -	\$ -	\$ (94,553)
Judicial	641,024	219,518	-	-	(421,506)
Elections	58,399	-	-	-	(58,399)
Finance and administrative	203,708	-	459,409	-	255,701
Other general administrative	93,256	-	-	-	(93,256)
Public safety	886,620	-	6,887	-	(879,733)
Public works	2,161,490	572,385	66,303	1,308,662	(214,140)
Health and welfare	92,590	-	51,915	-	(40,675)
Culture and recreation	313,522	-	37,058	-	(276,464)
Economic development and assistance	45,876	-	20,000	-	(25,876)
Transportation	85,850	-	236,223	-	150,373
Miscellaneous	85,430	-	-	-	(85,430)
Interest on long-term debt	26,278	-	-	-	(26,278)
Total Governmental Activities	<u>\$ 4,788,596</u>	<u>\$ 791,903</u>	<u>\$ 877,795</u>	<u>\$ 1,308,662</u>	<u>(1,810,236)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					2,229,682
Other taxes and penalties					111,269
State revenue sharing					94,198
Severance tax					55,854
Licenses and permits					506,227
Interest and investment earnings					27,503
Miscellaneous					<u>253,473</u>
Total general revenues					<u>3,278,206</u>
Changes in net assets					1,467,970
Net assets - beginning					<u>7,630,250</u>
Net assets - ending					<u>\$ 9,098,220</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

BASIC FINANCIAL STATEMENTS

Fund Financial Statements

MADISON PARISH POLICE JURY
GOVERNMENTAL FUNDS
BALANCE SHEET
DECEMBER 31, 2008

	General	Library	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	Other Governmental	Total
Assets								
Cash and cash equivalents	\$ -	\$ 4,847	\$ -	\$ 701,704	\$ -	\$ -	\$ 399,431	\$ 1,105,982
Investments	-	193,080	-	-	-	-	65,894	258,954
Receivables	318,486	234,934	423,135	114,849	832,012	439,821	172,178	2,535,414
Interfund receivables	293,663	-	148	317	70,818	-	12,700	377,646
Total Assets	812,148	432,841	423,283	816,870	902,830	439,821	650,203	4,277,996
Liabilities and Fund Balances								
Liabilities:								
Bank overdraft	202,457	-	58,274	-	119,996	39,888	14,841	435,257
Accounts, salaries and other payables	59,516	8,840	497	1,154	13,163	29,001	44,658	154,829
Interfund payables	80,030	2,462	-	-	16,953	187,282	88,919	377,646
Liability for Certificate of Indebtedness	248,300	-	26,186	-	195,988	28,232	-	498,706
Total Liabilities	590,303	9,302	84,957	1,154	346,100	284,404	148,218	1,466,438
Fund Balances/Deficit:								
Reserved for:								
Unreserved, reported in:								
General	21,845	-	-	-	-	-	-	21,845
Special Revenue	-	423,539	338,328	815,716	554,730	155,417	498,032	2,785,780
Capital Projects	-	-	-	-	-	-	3,953	3,953
Total Fund Balances/Deficit	21,845	423,539	338,328	815,716	554,730	155,417	501,985	2,811,558
Total Liabilities and Fund Balances	\$ 812,148	\$ 432,841	\$ 423,283	\$ 816,870	\$ 902,830	\$ 439,821	\$ 650,203	\$ 4,277,996

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

**MADISON PARISH POLICE JURY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2008**

Total fund balances - governmental funds **\$2,811,558**

The cost of capital assets (land, buildings, furniture and equipment and infrastructure) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the Police Jury as a whole. The cost of those capital assets is allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Cost of capital assets	12,076,011	
Depreciation expense to date	<u>5,750,051</u>	
		6,325,960

Receivables collected more than 60 days after the close of the accounting period are not recorded on the fund financial statements, but they are included on the Statement of Net Assets. 205,384

Long-term liabilities applicable to the Police Jury's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Assets.

Balances at December 31, 2008 are:

Long-term liabilities

Interest payable	19,615	
Judgment payable	177,500	
Loan payable	<u>47,567</u>	
		<u>(244,682)</u>
Net Assets		<u>\$9,098,220</u>

The Notes to the Basic Financial Statements are an Integral Part of this Statement.

**MADISON PARISH POLICE JURY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES/DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General	Library	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	Other Governmental	Total
Revenues								
Local sources:								
Taxes:								
Ad valorem	\$ 108,476	\$ 221,355	\$ 147,887	\$ 108,048	\$ 688,358	\$ 812,616	\$ 138,559	\$ 2,024,299
Other taxes and penalties	81	-	-	-	-	-	111,188	111,269
Licenses and permits	189,062	-	-	-	269,078	-	48,087	506,227
Intergovernmental revenues:								
Federal funds - federal grants	8,777	13,954	22,912	8,809	834,022	6,867	15,000	908,361
State funds:								
Parish transportation funds	-	-	-	-	236,223	-	-	236,223
State revenue sharing (net)	9,608	7,876	7,876	4,456	84,382	-	-	94,188
Severance taxes	55,854	-	-	-	-	-	-	55,854
Other state grants	483,158	23,104	-	-	220,476	-	335,136	1,041,874
Fees, charges, and commissions								
for services	2	-	546,880	-	3,108	-	22,295	572,385
Fines and forfeitures	10,000	269	-	-	-	-	209,249	219,518
Use of money and property	3,400	8,249	877	7,547	1,102	895	5,433	27,503
Other revenues	101,089	3,671	-	-	86,411	225	82,075	253,471
Total Revenues	950,507	278,478	728,532	126,880	2,403,160	620,823	945,022	6,051,182
Expenditures								
Current:								
General government:								
Legislative	94,553	-	-	-	-	-	-	94,553
Judicial	345,605	-	-	-	-	28	285,710	631,343
Elections	45,752	-	-	-	8,147	5,073	-	57,972
Finance and administrative	97,923	7,198	3,810	9,808	51,810	17,272	15,887	203,708
Other general government	-	-	-	-	41,345	-	-	41,345
Public safety	192,978	-	-	-	1,746	381,034	225,155	780,913
Public works	-	-	771,615	-	1,123,618	3,558	215,569	2,114,358
Health and welfare	5,338	-	-	32,097	-	-	45,080	82,515
Culture and recreation	15,091	233,773	-	-	-	-	-	248,864
Economic development and assistance	45,878	-	-	-	-	-	-	45,878
Transportation	85,850	-	-	-	-	-	-	85,850
Miscellaneous	57,952	-	-	-	27,360	-	118	85,430
Debt service:								
Principal retirement	-	-	-	-	-	-	81,249	81,249
Interest and bank charges	4,744	-	404	-	12,685	2,367	8,078	26,278
Capital outlay	-	40,380	-	-	753,566	-	73,470	867,416
Total Expenditures	891,682	281,351	775,829	41,905	2,018,275	390,332	928,316	5,427,670
Excess (Deficiency) of Revenues								
Over Expenditures	(41,155)	(2,873)	(49,297)	84,955	384,885	230,291	16,706	623,512
Other Financing Sources (Uses)								
Transfers in	47,000	-	-	-	-	-	71,885	118,885
Transfers out	-	-	(15,687)	-	(36,687)	(68,531)	-	(118,885)
Total Other Financing Sources (Uses)	47,000	-	(15,687)	-	(36,687)	(68,531)	71,885	-
Net Change in Fund Balances	5,845	(2,873)	(64,984)	84,955	348,198	163,760	88,591	623,512
Fund Balances - beginning	16,000	428,412	403,290	730,761	206,532	(8,343)	413,394	2,188,046
Fund Balances - ending	\$ 21,845	\$ 423,539	\$ 338,328	\$ 815,716	\$ 554,730	\$ 155,417	\$ 501,985	\$ 2,811,558

The Notes to the Basic Financial Statements are an Integral Part of this Statement

MADISON PARISH POLICE JURY
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES/DEFICITS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2008

Total net change in fund balances - governmental funds \$ 623,512

Amounts reported for governmental activities in the Statement of Activities
are different because:

Capital outlays are reported in governmental funds as expenditures. However,
in the Statement of Activities, the cost of those assets is allocated over their
estimated useful lives as depreciation expense. This is the amount by which
capital outlays exceed depreciation expense in the period:

Capital outlay	867,416	
Depreciation expense	<u>289,591</u>	
		577,825

Repayment of bond principle and capital leases is an expenditure in the
governmental funds, but the repayment reduces long-term liabilities in
the Statement of Net Assets:

61,249

Governmental funds do not report funds received more than 60 days after the
end of the year as revenues in the current year, but the Statement of
Activities reports all receivables regardless of when collected. This is the net
change resulting from recording all receivables on the Statement of Activities.

205,384

Change in net assets of governmental activities \$ 1,467,970

NOTES TO THE FINANCIAL STATEMENTS

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 1 - Summary of Significant Accounting Policies

The Madison Parish Police Jury (the Police Jury) is the governing authority for Madison Parish and is a political subdivision of the state of Louisiana. The Police Jury is governed by five jurors representing the various districts within the parish. The jurors serve four-year terms which expire in January 2012.

Louisiana Revised Statute 33:1236 gives the Police Jury various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those are the powers to make regulations for their own government, to regulate the construction and maintenance of roads and bridges, to replace and maintain drainage systems, to regulate the sale of alcoholic beverages, and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem taxes, sales taxes, beer and alcoholic beverage permits, state revenue sharing, and various other state and federal grants.

In accomplishing its objectives, the Police Jury also has the authority to create special districts (component units) within the parish. The districts perform specialized functions, such as fire protections, library facilities, and health care facilities.

A. Reporting Entity

As the governing authority of the parish, for reporting purposes, the Madison Parish Police Jury is the financial reporting entity for Madison Parish. The financial reporting entity consists of (a) the primary government (Police Jury), (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 establishes criteria for determining the governmental reporting entity and component units that should be considered part of the Madison Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the Police Jury to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the Police Jury does not appoint a voting majority but are fiscally dependent on the Police Jury.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 1 - Summary of Significant Accounting Policies (cont.)

A. Reporting Entity (cont.)

Based on the previous criteria, the Police Jury has determined that the following component units are part of the reporting entity:

<u>Component Unit</u>	<u>Fiscal Year Ended</u>	<u>Criteria Used</u>
Madison Parish Hospital		
Service District	December 31	1 and 3
Madison Parish Port Commission	December 31	1 and 3
Madison Parish Recreation District	December 31	1 and 3
Afton Fire Protection	December 31	1 and 3
Mound Fire Protection	December 31	1 and 3
Bear Lake Fire Protection Dist. No. 1	December 31	1 and 3
Madison Parish Tax Assessor	December 31	2 and 3
Madison Parish Clerk of Court	June 30	2 and 3
Madison Parish Sheriff	June 30	2 and 3
Madison Parish Tourism Commission	December 31	1 and 3

The Police Jury has chosen to include the library in the basic financial statements. The other component units are not included.

Considered in the determination of component units of the reporting entity were the Madison Parish School Board and the various municipalities in the parish. It was determined that these governmental entities are not component units of the Madison Parish Police Jury reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Madison Parish Police Jury.

B. Funds

The accounts of the Police Jury are organized and operated on the basis of funds. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

The governmental funds are divided into separate "fund types." Governmental funds are to account for government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. The Police Jury's current operations require the use of governmental funds. The fund types used by the Police Jury are described as follows:

Governmental Funds

General Fund - The general fund is the general operating fund of the Police Jury. It accounts for all activities except those required to be accounted for in other funds.

Library Fund - This fund accounts for the activities performed for the public library.

Garbage Maintenance - This fund accounts for the parish garbage collection services.

Health Unit - This fund accounts for funds for the parish health center.

Public Works - This fund accounts for funds used to maintain the parish roads and streets.

MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

Note 1 - Summary of Significant Accounting Policies (cont.)

B. Funds (cont.)

Governmental Funds (cont.)

Courthouse and Jail - This fund accounts for operation and maintenance of the courthouse and jail.

Other Governmental - This fund is comprised of all non-major funds which include Rural Development, Criminal Court, E-911, Memorial, Tri-Delta Share Grant, Grant, LTD Tax Certificate of Indebtness, LCDBG, USDA Note, Mosquito Control, Witness Fees, FEMA Disaster, Emergency Shelter Donations, Debt Service, Capital Projects, Council on Aging, and Building Fund.

C. Measurement Focus and Basis of Accounting

Government-Wide Financial Statements (GWFS)

The *Statement of Net Assets* and the *Statement of Activities* display information about the reporting government as a whole. The *Statement of Net Assets* and the *Statement of Activities* were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No.33 *Accounting and Financial Reporting for Nonexchange Transactions*. Fiduciary funds are not included in the government-wide financial statements.

Program revenues - Program revenues included in the *Statement of Activities* derive directly from the program itself or from parties outside the Police Jury's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the Police Jury's general revenues.

Allocation of indirect expenses - The Police Jury reports all direct expenses by function in the *Statement of Activities*. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the *Statement of Activities*.

Fund Financial Statements (FFS)

Governmental Funds - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principle and interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 1 - Summary of Significant Accounting Policies (cont.)

C. Measurement Focus and Basis of Accounting (cont.)

Fund Financial Statements (FFS) (cont.)

Governmental Funds (cont.)

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues - Ad valorem taxes and the related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar-year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.

Sales tax are susceptible to accrual.

Federal and state grants are recognized when the Police Jury is entitled to the funds.

Fines, forfeitures, and court costs are recognized in the year they are received by the parish tax collector.

Interest income on time deposits is recognized when the time deposits have matured and the interest is available.

Substantially all other revenues are recognized when they become available to the Police Jury. Based on the above criteria, ad valorem taxes, federal and state grants, and fines and forfeitures, and court costs have been treated as susceptible to accrual.

Expenditures - Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principle and interest on general long-term obligations, which are recognized when due.

Other Financing Sources (Uses) - Sale of fixed assets, increases in capital lease purchases, and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recognized when the underlying events occur.

MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

Note 1 - Summary of Significant Accounting Policies (cont.)

D. Budgets

Preliminary budgets for the ensuing year are prepared by the secretary treasurer prior to December 31 of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoptions is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary-treasurer has the discretion to make changes as she deems necessary for proper control. Unexpected appropriations lapse at the year end and must be re-appropriated in the next year's budget to be expended.

E. Encumbrances

Outstanding encumbrances lapse at year-end. Authorization for the eventual expenditure will be included in the following year's budget appropriations. Encumbrance accounting is employed in governmental funds.

Encumbrance accounting (e.g., purchase orders, contracts) is recognized within the accounting records for budgetary control purposes.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits, and time deposits accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Police Jury may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principle offices in Louisiana.

G. Investments

Investments are limited to R.S. 33:2955 and the Police Jury's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The Police Jury invests in authorized U.S. government securities. Investments are carried at fair market value based on quoted market prices. The Police Jury's intent is to hold all investments to maturity.

MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

Note 1 - Summary of Significant Accounting Policies (cont.)

H. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

I. Elimination and Reclassifications

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

J. Capital Assets

Capital assets are recorded at either historical cost or estimated historical cost and depreciated over their estimated useful lives (excluding salvage value). The Police Jury has a capitalization threshold of \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. General assets are capitalized and valued at historical cost or estimated historical cost. Interest during construction was not capitalized on capital assets prior to January 1, 1999. Estimated useful life is management's estimate of how the asset is expected to meet service demands. Vehicles and trailers are assigned a salvage value of ten percent of historical costs. Straight line depreciation is used based on the following estimated useful lives:

Buildings and improvements	20-40 years
Equipment and furniture (including vehicles)	5-15 years
Books, periodicals and law books	10 years

K. Compensated Absences

Employees of the Police Jury receive 10 to 20 days of annual leave each year, depending on the length of service. A maximum of 5 days annual leave may be carried forward to the next year. Upon voluntary resignation or retirement, employees are compensated for annual leave accumulated to the date of separation. Sick leave is credited to a permanent full-time employee at the rate of 1 day for each month of continuous employment. Sick leave may accumulate to a maximum of 90 days. Upon retirement, all unused accumulated sick leave is used in retirement benefit computations as earned service.

L. Reserved Fund Balances of Fund Financial Statements

Reserves represent those portions of fund balance that are not appropriate for expenditures or that are legally segregated for a specific purpose. Designated fund balances represent tentative management plans for future use of financial resources and are subject to change.

M. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

Note 1 - Summary of Significant Accounting Policies (cont.)

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

O. Restricted Net Assets

For the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation. Restricted net assets reported by the Police Jury are restricted by enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Note 2 - Stewardship, Compliance, and Accountability

A. Deficit Fund Balances

The following funds have a deficit in the fund balance at December 31, 2008:

Fund	Amount of Deficit
Criminal Court	\$ 55,183

B. Unfavorable Budget Variances

Revenues:

Fund	Budget	Actual	Unfavorable Variances
General Fund	\$ 1,458,651	\$ 1,272,626	\$ 186,025
Garbage	1,295,561	1,186,947	108,614
Public Works	3,206,331	2,868,203	338,128
Courthouse and Jail	820,187	642,423	177,764

Expenditures:

Fund	Budget	Actual	Unfavorable Variances
General Fund	\$ 1,127,154	\$ 1,250,635	\$ 123,481
Health Unit	28,123	48,902	20,779
Library	238,209	241,901	3,692
Courthouse and jail	656,469	754,121	97,652

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 3 - Levied Taxes

The Police Jury levies taxes on real and business personal property located within Madison Parish's boundaries. Property taxes are levied by the Police Jury on property values assessed by the Madison Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Madison Parish Sheriff's office bills and collects property taxes for the Police Jury. Collections are remitted to the Police Jury monthly.

Property Tax Calendar

Levy date	No later than November 15th
Tax bills mailed	October-November
Due date	December 31st
Lien date	Date of filing in Clerk of Court's office
Tax sale - 2008 delinquent property	April, 2009

Assessed values are established by the Madison Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value.

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2008. Total assessed value was \$77,782,511, in calendar year 2008. Louisiana state law exempts the first \$7,500, of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$10,380,272, of the assessed value in calendar year 2008.

State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund, library, garbage maintenance, health unit, public works, and courthouse and jail funds. Revenues in such funds are recognized in the accounting period in which they become measureable and available. Property taxes are considered measureable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year; therefore, the amount of 2008 property taxes to be collected occurs in December and January and February of the next year. Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, there is no allowance for uncollectible taxes.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 3 - Levied Taxes (cont.)

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2008:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
General Fund/In	1.73	1.14	Indefinite
General Fund/Out	3.46	2.29	Indefinite
Health Unit	1.18	0.82	2012
Library	3.56	2.47	2012
Garbage Collection	9.02	6.26	2008
Drainage and Roads	17.08	11.85	2008
Courthouse and Jail	2.71	1.88	2012
Library 2002	1.94	1.34	2011
Health Unit 2002	1.50	1.04	2011
Courthouse and Jail 2007	7.00	4.95	2016
E 911	3.00	2.12	2016

The difference between authorized and levied millages is the result of reassessments of taxable property in the parish as required by Article 7, Section 18 of the Louisiana Constitution of 1974.

Note 4 - Deposits and Investments

At December 31, 2008, the Police Jury had the following investments:

<u>Investment type</u>	<u>Maturities</u>	<u>Fair Value</u>
Government securities	Less than 1 year	\$ 193,060
Bank certificate of deposit		65,894
Total		<u>\$ 258,954</u>

Interest Rate Risk: The Police Jury's policy does not address interest rate risk.

Credit Risk: The Police Jury invests in certificate of deposit and U.S. Treasury securities which do not have credit ratings.

Custodial Credit-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the Police Jury's deposits may not be returned to it. As of December 31, 2008, the Police Jury's bank balance of \$1,457,112, was exposed to custodial credit risk because it was uninsured and collateralized with security held by the pledging financial institutions trust department or agent but not in the Police Jury's name. Even though the pledge securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Police Jury that the fiscal agent has failed to pay deposited funds upon request.

Custodial Credit Risk-Investment: For an investment, this is the risk that, in the event of the failure of the counter party, the Police Jury will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At December 31, 2008, the Police Jury had 100% of its investments with an outside party.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 5 - Receivables

The following is a summary of receivables at December 31, 2008:

	General	Library	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	Other Governmental	Total Governmental Fund	Government Wide
Taxes:									
Ad valorem	\$ 130,601	\$ 232,651	\$ 359,366	\$ 113,559	\$ 723,481	\$ 439,821	\$ 142,856	\$ 2,142,334	\$ 2,347,718
Other taxes	21,327	2,283	2,283	1,290	108,531	-	-	135,714	135,714
Taxes	147,622	-	-	-	-	-	-	147,622	147,622
Other	18,935	-	61,486	-	-	-	29,323	109,744	109,744
Total	\$ 318,485	\$ 234,934	\$ 423,135	\$ 114,849	\$ 832,012	\$ 439,821	\$ 172,178	\$ 2,535,414	\$ 2,740,798

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property; therefore, no allowance for doubtful accounts has been established for ad valorem taxes. The balance of accounts receivable is expected to be collected in full so no allowance for doubtful accounts has been established.

Note 6 - Interfund Assets/Liabilities (FFS Level Only)

Due from/to other funds:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	\$ 293,863	General fund	\$ 80,030
Garbage	148	Library	2,462
Health Unit	317	Public works	18,953
Public Works	70,818	Courthouse and jail	187,282
Other governmental	12,700	Other governmental	88,919
Total	\$ 377,646	Total	\$ 377,646

The interfund balances are loans between funds to cover operating expenses.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 7 - Capital Assets

The following schedule presents changes in capital assets for the Police Jury:

	Balance, Beginning	Additions	Deletions	Balance, Ending
Governmental activities				
Not subject to depreciation:				
Land	\$ 430,545	\$ -	\$ -	\$ 430,545
Construction in progress	3,017,840	753,565	-	3,771,405
Subject to depreciation:				
Buildings and improvements	5,282,050	-	-	5,282,050
Furniture and equipment	2,331,334	81,215	179,117	2,233,432
Books and periodicals	312,095	32,635	20,438	324,292
Total	<u>11,373,864</u>	<u>867,415</u>	<u>199,555</u>	<u>12,041,724</u>
Less accumulated depreciation				
Buildings and improvements	3,832,689	123,286	-	3,955,975
Furniture and equipment	1,524,865	131,832	98,798	1,557,899
Books and periodicals	187,855	34,473	20,438	201,890
Total	<u>5,545,409</u>	<u>289,591</u>	<u>119,236</u>	<u>5,715,764</u>
Governmental activities capital assets, net	<u>\$5,828,455</u>	<u>\$ 577,824</u>	<u>\$ 80,319</u>	<u>\$6,325,960</u>

Current year depreciation expense was charged to governmental activities for the Police Jury as follows:

Judicial	\$ 9,681
Elections	427
Other general government	51,911
Public safety	105,707
Public works	47,132
Health and welfare	10,075
Culture and recreation	64,658
Total	<u>\$ 289,591</u>

Note 8 - Retirement Systems

Substantially all employees of the Police Jury are members of the Parochial Employees Retirement System of Louisiana (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Police Jury of Madison Parish (component unit) are members of Plan A.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 8 - Retirement Systems (cont.)

All permanent employees working at least twenty-eight hours per week who are paid wholly or in part from parish funds are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least ten years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to three percent of their final average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only before January 1, 1980, the benefit is equal to one percent of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980, plus three percent of final-average salary for each year of service credited after the revision date. Final average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

Under Plan A, members are required by state statute to contribute 9.50 percent of their annual covered salary and the Police Jury is required to contribute at an actuarially determined rate. The current rate is 12.75 percent of annual covered payroll. Contributions to the system also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Police Jury are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Police Jury's contributions to the System under Plan A for the years ending December 31, 2008, 2007, and 2006, were \$108,798, \$149,345, and \$174,027, respectively, equal to the required contribution for each year.

The System issues an annual publicly available report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System of Louisiana, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Note 9 - Other Post Employment Benefits

The Police Jury provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the Police Jury's employees become eligible for these benefits if they reach normal retirement age while working for the Police Jury. These benefits for retirees and similar benefits for active employees are provided through an insurance company whose monthly premiums are paid jointly by the employee and the Police Jury. The Police Jury recognizes the cost of providing these benefits to retirees as expenditure when paid during the year. The Police Jury had expenditures of \$38,572, for 12 retirees for the year ended December 31, 2008.

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 10- Accounts, Salaries and Other Payables

At December 31, 2008, the Police Jury had the following payables:

	General Fund	Library Fund	Garbage Maintenance	Health Unit	Public Works	Courthouse and Jail	Other Governmental	Total
Vendors	\$ 14,638	\$ 6,778	\$ 497	\$ 1,154	\$ 12,905	\$ 28,925	\$ 44,658	\$ 109,555
Payroll	44,878	62	-	-	258	76	-	45,274
Total	<u>\$ 59,516</u>	<u>\$ 6,840</u>	<u>\$ 497</u>	<u>\$ 1,154</u>	<u>\$ 13,163</u>	<u>\$ 29,001</u>	<u>\$ 44,658</u>	<u>\$ 154,829</u>

Note 11 - Compensated Absences

At December 31, 2008, no accrual has been made for accumulated and vested employee leave benefits as this amount is deemed immaterial.

Note 12 - Long-Term Liabilities

The following is a summary of the long-term liabilities transactions and balances for the year ended December 31, 2008.

	Beginning Balance	Additions	Deductions	Ending Balance	Amounts Due within One year
Governmental Activities:					
Certificate of indebtedness	\$ 765,741	\$ 498,706	\$ 765,741	\$ 498,706	\$ 498,706
Notes payable	89,710	-	42,141	47,569	47,569
Capital leases	99,428	-	99,428	-	-
Claims and judgments payable	177,500	-	-	177,500	-
Governmental Activities:					
Long-term liabilities	<u>\$ 1,132,379</u>	<u>\$ 498,706</u>	<u>\$ 907,310</u>	<u>\$ 723,775</u>	<u>\$ 546,275</u>

During 2008, the Police Jury extinguished debt for the Certificate of Indebtness issued during 2007. Also during 2008, the Police Jury issued new Certificate of Indebtness, Series 2008 in the amount of \$498,706. The Certificate of Indebtness, Series 2008 is payable March 1, 2009, principle and interest at rate not exceeding six per cent annum. The debt will be extinguished from revenue received during 2009. The debt has been recorded as a liability in both the government-wide financial statements (GWFS) and the fund financial statements (FFS).

**MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008**

Note 12 - Long-Term Liabilities (cont.)

Notes payable is to the USDA, dated January 1, 2001, payable in annual installments of \$46,240, including interest at the rate of 4.75% per annum beginning March 2003 and ending March 2009. Requirements for future principle payments and interest payments are as follows:

<u>Year</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 47,569	\$ (1,329)	\$ 46,240
	<u>\$ 47,569</u>	<u>\$ (1,329)</u>	<u>\$ 46,240</u>

Note 13 - Interfund Transfers

Operating transfers for the year ended December 31, 2008, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 47,000	\$ -
Garbage Maintenance	-	15,667
Public Works	-	36,687
Courthouse and Jail	-	66,531
Other Governmental	71,885	-
Total	<u>\$ 118,885</u>	<u>\$ 118,885</u>

The purpose of the interfund transfers was to assist in covering operating expenses.

Note 14 - Criminal Court Fund

Louisiana Revised Statute 15:571.11 requires that one-half of any balance remaining in the Criminal Court Fund at year-end be transferred to the parish General Fund. However, for the year ended December 31, 2008, the Criminal Fund does not have a year-end balance for transfer to the parish General Fund. A balance of \$62,149 is due to the General Fund at December 31, 2008, for prior and current year transfers and loans.

Note 15 - Litigation and Claims

At December 31, 2008, the Police Jury is involved in litigation or is aware of claims totaling \$177,500, that are not covered by insurance. Of this amount, \$177,500, has been recorded as a liability in the government-wide financial statements. The Police Jury is also involved in certain litigation in which the outcome or monetary amount of any potential claim against the Police Jury can not be determined at the present time.

MADISON PARISH POLICE JURY
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2008

Note 15 - Litigation and Claims (cont.)

Construction The Quebec Road construction project was still under construction at December 31, 2008. The total cost for this project has been \$3,771,405.

Grant Disallowances The Police Jury participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under the terms of the grant.

Note 16 - Risk Management

The Police Jury is at risk for property damage, liability and theft which are covered by insurance policies.

REQUIRED SUPPLEMENTAL INFORMATION

MADISON PARISH POLICE JURY

Budgetary Comparison Schedules

General Fund and Major Special Revenue Funds with Legally Adopted Annual Budgets

General Fund

The general fund accounts for all activities of the Police Jury except those that are accounted for in other funds.

Library

The library fund accounts for the operations of the parish library. Financing is provided by a specific parish-wide ad valorem tax.

Garbage Maintenance

The garbage maintenance fund accounts for the operations of the parish-wide garbage collection process. Financing is provided by a specific parish-wide ad valorem tax and user fees.

Health Unit

The health unit fund accounts for the maintenance and operation of the parish health unit. Financing is provided by a specific parish-wide ad valorem tax.

Public Works

The public works fund accounts for the maintenance of the parish highways, streets, and bridges. Financing is provided by a specific parish-wide ad valorem tax.

Courthouse and Jail

The courthouse and jail fund accounts for the maintenance and operation of the courthouse and jail. Financing is provided by a specific parish-wide ad valorem tax.

MADISON PARISH POLICE JURY
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	(Budgetary Basis)	Positive (Negative)
Budgetary Fund Balances - beginning	\$ 55,000	\$ 16,000	\$ 16,000	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	136,439	152,629	142,482	(10,147)
Other taxes, penalties and interest	441,700	30,834	4,210	(26,624)
Licenses and permits	99,645	624,780	204,615	(420,165)
Intergovernmental revenues:				
Federal funds	7,300	15,119	54,520	39,401
State funds:				
State revenue sharing (net)	10,259	278,616	9,608	(269,008)
Severance taxes	-	-	55,854	55,854
Other	25,383	-	389,915	389,915
Fees, charges, and commissions for services	102	102	10,002	9,900
Use of money and property	1,060	698	3,400	2,702
Other revenues	304,113	289,873	335,020	45,147
Transfers from other funds	50,000	50,000	47,000	(3,000)
Amounts available for appropriations	<u>1,131,001</u>	<u>1,458,651</u>	<u>1,272,626</u>	<u>(186,025)</u>
Charges to appropriations (outflows)				
General government:				
Legislative	86,475	86,475	94,553	(8,078)
Judicial	332,651	379,857	433,939	(54,082)
Elections	24,640	24,640	45,752	(21,112)
Finance and administration	110,830	110,830	97,923	12,907
Other general government	13,000	13,000	-	13,000
Public safety	93,881	93,881	192,978	(99,097)
Health and welfare	74,250	74,250	5,338	68,912
Culture and recreation	4,000	4,000	15,091	(11,091)
Economic development and assistance	70,588	70,588	45,876	24,712
Transportation	29,425	29,425	85,850	(56,425)
Miscellaneous	3,000	3,000	57,952	(54,952)
Debt service	127,208	127,208	175,383	(48,175)
Transfers to other funds	110,000	110,000	-	110,000
Total charges to appropriations	<u>1,079,948</u>	<u>1,127,154</u>	<u>1,250,635</u>	<u>(123,481)</u>
Budgetary Fund Balances - ending	<u>\$ 51,053</u>	<u>\$ 331,497</u>	<u>\$ 21,991</u>	<u>\$ (309,506)</u>

MADISON PARISH POLICE JURY
LIBRARY
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)	
Budgetary Fund Balances - beginning	\$ 115,000	\$ 426,412	\$ 426,412	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	247,144	247,144	237,977	(9,167)
Intergovernmental revenues:				
Federal funds	10,179	10,179	13,954	3,775
State funds:				
State revenue sharing (net)	28,998	28,998	7,876	(21,122)
Other	-	-	20,821	20,821
Fees, charges, and commissions for services	1,120	1,120	269	(851)
Use of money and property	437	156	8,249	8,093
Other revenues	250	250	3,671	3,421
Amounts available for appropriations	403,128	714,259	719,229	4,970
Charges to appropriations (outflows)				
General government:				
Finance and administration	20,890	20,890	7,198	13,692
Culture and recreation	217,319	217,319	234,703	(17,384)
Total charges to appropriations	238,209	238,209	241,901	(3,692)
Budgetary Fund Balances - ending	\$ 164,919	\$ 476,050	\$ 477,328	\$ 1,278

MADISON PARISH POLICE JURY
GARBAGE MAINTENANCE
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Budgetary Fund Balances - beginning	\$ 200,000	\$ 403,290	\$ 403,290	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	405,787	405,787	196,008	(209,779)
Intergovernmental revenues:				
Federal funds	16,714	16,714	20,629	3,915
State funds:				
State revenue sharing (net)	8,673	8,673	7,876	(797)
Fees, charges, and commissions	460,200	460,200	532,081	71,881
Use of money and property	2,200	897	877	(20)
Other revenues	-	-	26,186	26,186
Amounts available for appropriations	<u>1,093,574</u>	<u>1,295,561</u>	<u>1,186,947</u>	<u>(108,614)</u>
Charges to appropriations (outflows)				
General government:				
Finance and administration	7,729	7,729	3,810	3,919
Other general administrative	12,609	12,609	-	12,609
Public works	683,833	683,833	780,202	(96,369)
Miscellaneous	-	-	-	-
Debt service	-	-	45,022	(45,022)
Transfers to other funds	175,000	175,000	15,667	159,333
Total charges to appropriations	<u>879,171</u>	<u>879,171</u>	<u>844,701</u>	<u>34,470</u>
Budgetary Fund Balances - ending	<u>\$ 214,403</u>	<u>\$ 416,390</u>	<u>\$ 342,246</u>	<u>\$ (74,144)</u>

MADISON PARISH POLICE JURY
HEALTH UNIT
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final	(Budgetary Basis)	(Negative)
Budgetary Fund Balances - beginning	\$ 550,400	\$ 730,761	\$ 730,761	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	120,589	120,589	116,335	(4,254)
Intergovernmental revenues:				
Federal funds	-	-	6,809	6,809
State funds:				
State revenue sharing (net)	5,000	5,000	3,165	(1,835)
Use of money and property	6,000	7,177	7,547	370
Amounts available for appropriations	681,989	863,527	864,617	1,090
Charges to appropriations (outflows)				
General government:				
Finance and administration	1,471	1,471	9,808	(8,337)
Health and welfare	26,652	26,652	39,094	(12,442)
Total charges to appropriations	28,123	28,123	48,902	(20,779)
Budgetary Fund Balances - ending	\$ 653,866	\$ 835,404	\$ 815,715	\$ (19,689)

**MADISON PARISH POLICE JURY
PUBLIC WORKS
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>(Budgetary Basis)</u>	
Budgetary Fund Balances - beginning	\$ 150,000	\$ 206,532	\$ 206,532	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	768,471	768,471	754,140	(14,331)
Licenses and permits	-	-	265,819	265,819
Intergovernmental revenues:				
Federal funds	1,431,783	1,431,783	834,022	(597,761)
State funds:				
Parish transportation fund	-	-	236,223	236,223
State revenue sharing (net)	330,000	330,000	64,382	(265,618)
Other	-	-	220,476	220,476
Fees, charges and commissions	15,045	15,045	3,108	(11,937)
Fines and forfeitures	10,000	10,000	-	(10,000)
Use of money and property	4,500	4,500	1,102	(3,398)
Other revenues	440,000	440,000	282,399	(157,601)
Transfers from other funds	-	-	-	-
Amounts available for appropriations	<u>3,149,799</u>	<u>3,206,331</u>	<u>2,868,203</u>	<u>(338,128)</u>
Charges to appropriations (outflows)				
General government:				
Finance and administration	67,026	67,026	57,957	9,069
Other general finance	-	-	43,091	(43,091)
Public works	2,407,000	2,407,000	1,399,285	1,007,715
Miscellaneous	-	-	27,360	(27,360)
Debt service	407,337	407,337	449,721	(42,384)
Transfers to other funds	-	-	36,687	(36,687)
Total charges to appropriations	<u>2,881,363</u>	<u>2,881,363</u>	<u>2,014,101</u>	<u>867,262</u>
Budgetary Fund Balances - ending	<u>\$ 268,436</u>	<u>\$ 324,968</u>	<u>\$ 854,102</u>	<u>\$ 529,134</u>

MADISON PARISH POLICE JURY
COURTHOUSE AND JAIL
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
			<u>(Budgetary Basis)</u>	<u>Positive</u>
				<u>(Negative)</u>
Budgetary Fund Balances - beginning	\$ -	\$ (8,343)	\$ (8,343)	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	442,930	442,930	614,527	171,597
Intergovernmental revenues:				
Federal funds	6,400	6,400	6,887	487
State funds:				
Other	3,000	3,000	-	(3,000)
Use of money and property	1,200	1,200	895	(305)
Other revenues	90,000	90,000	28,457	(61,543)
Transfers from other funds	285,000	285,000	-	(285,000)
Amounts available for appropriations	828,530	820,187	642,423	(177,764)
Charges to appropriations (outflows)				
General government:				
Finance and administration	16,974	16,974	23,373	(6,399)
Other general governmental	79,731	79,731	3,558	76,173
Public safety	258,900	258,900	548,264	(289,364)
Debt service	200,000	200,000	112,395	87,605
Miscellaneous	-	-	-	-
Transfers to other funds	100,864	100,864	66,531	34,333
Total charges to appropriations	656,469	656,469	754,121	(97,652)
Budgetary Fund Balances - ending	\$ 172,061	\$ 163,718	\$ (111,698)	\$ (275,416)

MADISON PARISH POLICE JURY
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

A. BUDGETS

General Budget Policies. Preliminary budgets for the ensuing year are prepared by the secretary-treasurer prior to December 31, of each year. The availability of the proposed budgets for public inspection and the date of the public hearing on the proposed budgets are then advertised in the official journal. During its regular December meeting, the Police Jury holds a public hearing on the proposed budgets in order to receive comments from residents of the parish. Changes are made to the proposed budgets based on the public hearing and the desires of the Police Jury as a whole. The budgets are then adopted during the Police Jury's regular December meeting, and a notice of the adoption is then published in the official journal.

The secretary-treasurer presents necessary budget amendments to the Police Jury during the year when, in her judgment, actual operations are differing materially from those anticipated in the original budget. During a regular meeting, the Police Jury reviews the proposed amendments, makes changes as it deems necessary, and formally adopts the amendments. The adoption of the amendments is included in Police Jury minutes published in the official journal.

The Police Jury exercises budgetary control at the functional level. Within functions the secretary treasurer has the discretion to make changes as she deems necessary for proper control. Unexpended appropriations lapse at year end and must be reappropriated in the next year's budget to be expended. Formal budgetary integration is employed as a management control device.

For the year ended December 31, 2008, cash basis budgets were adopted for the general fund and all special revenue funds, except the criminal court special revenue fund, which is exempt from the requirements Louisiana Revised Statutes 30:1301-1314 (Local Government Budget Act).

Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes in the budgets must be approved by the Board and the grantor agencies.

Formal budgetary integration is employed as a management control device during the year.

Encumbrances. Encumbrance accounting is not recognized within the accounting records for budgetary control purposes. Authorization for the eventual expenditure will be included in the following year's budget appropriations.

Budget Basis of Accounting. All governmental funds' budgets are prepared on the cash basis of accounting. Budgeted amounts are as originally adopted or as amended by the Board. Legally, the Board must adopt a balanced budget: that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when budgeted revenues within a fund are expected to exceed actual revenue by five percent or more and when actual expenditures exceed budgeted expenditures by five percent or more.

MADISON PARISH POLICE JURY
NOTES THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

**B. BUDGET TO GAAP RECONCILIATION - EXPLANATION OF DIFFERENCES BETWEEN
BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES**

	<u>General</u>	<u>Library</u>	<u>Garbage Maintenance</u>	<u>Health Unit</u>	<u>Public Works</u>	<u>Courthouse and Jail</u>
Sources/inflows of resources:						
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 1,272,828	\$ 719,229	\$ 1,186,947	\$ 884,617	\$ 2,888,203	\$ 642,423
The fund balance at the beginning of the year is a budgetary resource but is not a current-year revenue for financial reporting purposes	(16,000)	(428,412)	(403,290)	(730,781)	(208,532)	8,343
Reversal of receivables for financial reporting purposes	(10,819)	(14,339)	(30,939)	(8,998)	(62,523)	(1,911)
Transfers from other funds to offset expenditures classified as receipts for budgetary purposes and as a reduction of expenditure for financial reporting	(47,000)	-	-	-	-	-
Proceeds from loans is revenue for budgetary purposes but is not revenue for financial reporting purposes	(248,300)	-	(28,189)	-	(195,988)	(28,232)
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 950,507</u>	<u>\$ 278,478</u>	<u>\$ 728,532</u>	<u>\$ 126,860</u>	<u>\$ 2,403,180</u>	<u>\$ 620,623</u>

**MADISON PARISH POLICE JURY
NOTES THE BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008**

**B. BUDGET TO GAAP RECONCILIATION - EXPLANATION OF DIFFERENCES BETWEEN
BUDGETARY INFLOWS AND OUTFLOWS AND GAAP REVENUES AND EXPENDITURES**

<i>Uses/Outflows of resources:</i>	<u>General</u>	<u>Library</u>	<u>Garbage Maintenance</u>	<u>Health Unit</u>	<u>Public Works</u>	<u>Courthouse and Jail</u>
Actual amounts (budgetary basis) *Total charges to appropriations* from the Budgetary Comparison Schedule	\$ 1,250,636	\$ 241,901	\$ 844,701	\$ 48,902	\$ 2,014,101	\$ 754,121
Capital outlay not recorded for budgetary purposes and as an expenditure for financial reporting purposes	-	40,380	-	-	753,568	-
Accrual or reverse accrual of accounts payable for financial reporting	(88,334)	(930)	(8,587)	(5,997)	(275,668)	(187,230)
Transfers to other funds classified as expenditures for budgetary purposes and as an operating transfer for financial reporting	-	-	(15,887)	-	(38,687)	(88,531)
Budgetary loan payments which are an expenditure for budgetary purposes and as a reduction of debt for financial reporting purposes	<u>(170,839)</u>	<u>-</u>	<u>(44,818)</u>	<u>-</u>	<u>(437,036)</u>	<u>(110,028)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 991,662</u>	<u>\$ 281,351</u>	<u>\$ 775,828</u>	<u>\$ 41,905</u>	<u>\$ 2,018,275</u>	<u>\$ 390,332</u>

MADISON PARISH POLICE JURY
NOTES TO BUDGETARY COMPARISON SCHEDULES
FOR THE YEAR ENDED DECEMBER 31, 2008

C. EXCESS OF BUDGETED REVENUES OVER ACTUAL REVENUES IN INDIVIDUAL FUNDS

The following funds had budgeted revenues greater than actual revenues for the year ended December 31, 2008.

<u>Major Funds</u>	<u>Budget</u>	<u>Actual</u>	Unfavorable <u>Variance</u>
General Fund	\$ 1,458,651	\$ 1,272,626	\$ 186,025
Garbage	1,295,561	1,186,947	108,614
Public Woks	3,206,331	2,868,203	338,128
Courthouse and Jail	820,187	642,423	177,764

D. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES IN INDIVIDUAL FUNDS

The following funds had actual expenditures greater than budgeted expenditures for the year ended December 31, 2008:

<u>Major Funds</u>	<u>Budget</u>	<u>Actual</u>	Unfavorable <u>Variance</u>
General Fund	\$ 1,127,154	\$ 1,250,635	\$ 123,481
Health Unit	28,123	48,902	20,779
Library	238,209	241,901	3,692
Courthouse and jail	856,469	754,121	97,652

SUPPLEMENTAL INFORMATION

**COMBINING NON MAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

MADISON PARISH POLICE JURY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET - BY FUND TYPE
DECEMBER 31, 2008

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 399,431	\$ -	\$ -	\$ 399,431
Investments	65,894	-	-	65,894
Receivables	172,178	-	-	172,178
Interfund receivables	8,747	-	3,953	12,700
Total Assets	<u>646,250</u>	<u>-</u>	<u>3,953</u>	<u>650,203</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts, salaries and other payables	44,658	-	-	44,658
Bank overdraft	14,641	-	-	14,641
Interfund payables	88,919	-	-	88,919
Liability for Certificate of Indebtness	-	-	-	-
Total Liabilities	<u>148,218</u>	<u>-</u>	<u>-</u>	<u>148,218</u>
Fund Balances:				
Reserved for capital projects	-	-	3,953	3,953
Unreserved, reported in Special Revenue	498,032	-	-	498,032
Total Fund Balances	<u>498,032</u>	<u>-</u>	<u>3,953</u>	<u>501,985</u>
Total Liabilities and Fund Balances	<u>\$ 646,250</u>	<u>\$ -</u>	<u>\$ 3,953</u>	<u>\$ 650,203</u>

MADISON PARISH POLICE JURY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - BY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2008

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Local sources:				
Ad Valorem taxes	\$ 136,559	\$ -	\$ -	\$ 136,559
Other taxes and penalties	111,188	-	-	111,188
Licenses and permits	48,087	-	-	48,087
Intergovernmental revenues:				
Federal funds - federal grants	15,000	-	-	15,000
State funds:				
Other	335,136	-	-	335,136
Fees, charges, and commissions for services	22,295	-	-	22,295
Fines and forfeitures	209,249	-	-	209,249
Use of money and property	5,433	-	-	5,433
Other revenues	62,075	-	-	62,075
Total Revenues	945,022	-	-	945,022
Expenditures				
Current:				
General government:				
Judicial	285,710	-	-	285,710
Finance and administration	15,887	-	-	15,887
Public safety	225,155	-	-	225,155
Public works	215,569	-	-	215,569
Health and welfare	45,080	-	-	45,080
Miscellaneous	118	-	-	118
Debt service:				
Principal retirement	42,141	19,108	-	61,249
Interest and bank charges	4,165	1,913	-	6,078
Capital outlay	73,470	-	-	73,470
Total Expenditures	907,295	21,021	-	928,316
Excess (Deficiency) Of Revenues Over Expenditures	37,727	(21,021)	-	16,706
Other Financing Sources (Uses)				
Transfers in	50,864	21,021	-	71,885
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	50,864	21,021	-	71,885
Net Change in Fund Balance	88,591	-	-	88,591
Fund Balance - beginning	409,441	-	3,953	413,394
Fund Balance - ending	\$ 498,032	\$ -	\$ 3,953	\$ 501,985

MADISON PARISH POLICE JURY

NONMAJOR SPECIAL REVENUE FUNDS

Rural Development - The Rural Development Fund accounts for revenue designated mainly for economic development purposes provided by the Governor's Office of Rural Development.

Criminal Court - The Criminal Court Fund accounts for revenue from fines and forfeitures imposed by the District Attorney and the District Court.

E-911 - The E-911 Fund accounts for the emergency communications of the Parish which are funded by service charges imposed.

Memorial - The Memorial Fund accounts for donations by private sources to the parish library.

Tri-Delta Share Grant - The Tri-Delta Share Grant Fund accounts for revenue from the Louisiana Housing Finance Agency Pilot Program using HOME grants and TANF grants for rehabilitating eligible owner-occupied dwellings.

Grant - The Grant Fund accounts for revenues received from federal and state sources used for various projects.

LTD Tax Certificate of Indebtedness - The LTD Tax Certificate of Indebtedness Fund accounts for annual reserve fund payments in an amount equal to ten percent of the annual debt service payment made on the prior March 1 until \$27,000 is on deposit. Funds are paid from ad valorem taxes received at the beginning of the year.

LCDBG - The LCDBG Fund accounts for all revenues received from the Louisiana Community Development Block Grant Program which are used for various projects.

USDA Note - The USDA Note Fund accounts for revenue from ad valorem taxes designated for repayment of loan.

Mosquito Control - The Mosquito Control Fund accounts for revenue from the Arboviral Grant provided by the Department of Public Health to educate citizens on ways to reduce mosquito habitat and to facilitate surveillance and control measures.

Witness Fees - The Witness Fees Fund accounts for all witness fee revenue received through the Criminal Court. Witness fees are now required by law to be accounted for in a separate fund.

FEMA Disaster - The FEMA Disaster Fund accounts for revenue received from federal sources for disaster relief.

Emergency Shelter Donations - The Emergency Shelter Donations Fund accounts for public and private donations to the shelter of hurricane victims and other disaster victims.

MADISON PARISH POLICE JURY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
DECEMBER 31, 2008

	Rural Development	Criminal Court	E-911	Memorial	Tri-Debita Share Grant	Grant Fund	LTD Tax Certificate of Indebtedness	USDA Note	Mosquito Control	Witness Fees	FEMA Disaster	Emergency Shelter Donation	Group Health Insurance	Council on Aging	Building Fund	Total
Assets																
Cash and cash equivalents	\$ 35,695	\$ -	\$ 85,893	\$ 6,465	\$ 9,056	\$ 63,207	\$ 30,218	\$ 10,000	\$ 455	\$ 14,425	\$ 68,032	\$ 3,308	\$ 15,416	\$ -	\$ 30,332	\$ 399,431
Investments	-	-	66,894	-	-	-	-	-	-	-	-	-	-	-	-	66,894
Receivables	-	18,200	153,098	-	-	-	-	-	-	690	-	-	-	-	-	172,178
Interfund receivables	-	8,561	186	-	-	-	-	-	-	-	-	-	-	-	-	8,747
Total Assets	\$ 35,695	\$ 26,761	\$ 305,061	\$ 6,465	\$ 9,056	\$ 63,207	\$ 30,218	\$ 10,000	\$ 455	\$ 14,425	\$ 68,032	\$ 3,308	\$ 15,416	\$ -	\$ 30,332	\$ 646,250
Liabilities and Fund Balances																
Liabilities:																
Bank overdraft	-	14,641	-	-	-	-	-	-	-	-	-	-	-	-	-	14,641
Accounts, salaries and other payables	-	5,154	24,068	-	-	-	-	-	-	-	-	-	15,416	-	-	44,658
Interfund payables	-	62,148	1,127	-	-	12,846	-	-	-	1,422	11,375	-	-	-	-	86,819
Liability for Certificate of Indebtedness	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	-	\$ 81,944	\$ 25,215	-	-	\$ 12,846	-	-	-	\$ 1,422	\$ 11,375	-	\$ 15,416	-	-	\$ 148,218
Fund Balances:																
Reserved for dedicated taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved and undesignated	35,695	(55,183)	279,846	6,465	9,056	50,361	30,218	10,000	455	14,425	58,657	3,308	-	-	30,332	488,032
Total Fund Balance	\$ 35,695	\$ (55,183)	\$ 279,846	\$ 6,465	\$ 9,056	\$ 50,361	\$ 30,218	\$ 10,000	\$ 455	\$ 14,425	\$ 58,657	\$ 3,308	\$ -	\$ -	\$ 30,332	\$ 490,032
Total Liabilities and Fund Balances	\$ 35,695	\$ 26,761	\$ 305,061	\$ 6,465	\$ 9,056	\$ 63,207	\$ 30,218	\$ 10,000	\$ 455	\$ 14,425	\$ 68,032	\$ 3,308	\$ 15,416	\$ -	\$ 30,332	\$ 646,250

MADISON PARISH POLICE JURY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Rural Development	Criminal Court	E-911	Memorial	Tri-Delta Share Grant	LTD Tax Certificate of Merit Fund	LCDBG	USDA Note	Mosquito Control	Witness Fees	FEMA Disaster	Emergency Shelter Donation	Group Health Insurance	Council on Aging	Building Fund	Total
Revenues																
Local sources:																
Ad Valorem taxes	\$ -	\$ -	\$ 136,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,459
Other taxes and penalties	-	-	111,188	-	-	-	-	-	-	-	-	-	-	-	-	111,188
License and penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48,087	48,087
Intergovernmental revenues:																
Federal funds - federal grants	-	-	-	-	-	15,000	-	-	-	-	-	-	-	-	-	15,000
State funds:																
Other	20,000	-	-	-	-	270,058	-	-	-	-	-	-	-	45,080	-	335,138
Fees, charges, and commissions for services	-	12,755	-	-	-	-	-	-	-	9,540	-	-	-	-	-	22,295
Fines and forfeitures	-	209,249	-	-	-	-	-	-	-	-	-	-	-	-	-	209,249
Use of money and property	-	75	4,037	85	-	408	318	112	152	212	-	36	-	-	-	5,433
Other revenues	-	25,930	241	395	-	33,727	-	-	-	-	-	-	-	-	1,852	52,075
Total Revenues	20,000	248,008	232,025	410	-	319,189	318	112	152	9,752	11,375	36	-	45,080	48,938	945,022
Expenditures																
Current:																
General government:																
Judicial	-	284,380	-	-	-	-	-	-	-	1,350	-	-	-	-	-	285,730
Finance and administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,887	15,887
Public safety	-	-	213,780	-	-	-	-	-	-	-	11,375	-	-	-	-	225,155
Public works	-	-	-	-	-	215,569	-	-	-	-	-	-	-	-	-	215,569
Health and welfare	-	-	-	-	-	-	-	-	-	-	-	118	-	48,080	-	48,200
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service:																
Principle retirement	-	-	-	-	-	-	-	42,141	-	-	-	-	-	-	-	42,141
Interest and bank charges	-	66	-	-	-	-	-	4,088	-	-	-	-	-	-	-	4,154
Capital outlay	-	-	-	-	-	69,750	-	-	-	-	-	-	-	-	3,720	73,470
Total Expenditures	-	284,426	213,780	-	-	285,318	-	46,240	-	1,350	11,375	118	-	45,080	19,607	607,295
Excess (Deficiency) of Revenues Over Expenditures	20,000	(38,417)	38,245	410	-	33,870	318	(46,128)	152	8,402	(11,375)	(82)	-	-	30,332	37,727
Other Financing Sources (Uses)																
Transfers in	-	-	-	-	-	-	4,624	-	46,240	-	-	-	-	-	-	50,864
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	4,624	-	46,240	-	-	-	-	-	-	50,864
Net Change in Fund Balances	20,000	(38,417)	38,245	410	-	33,870	4,942	112	152	8,402	(11,375)	(82)	-	-	30,332	88,591
Fund Balances - beginning	15,055	(18,769)	241,801	6,055	9,055	19,491	25,278	10,000	343	14,273	17,995	68,032	3,390	-	-	409,441
Fund Balances - ending	\$ 35,055	\$ (55,183)	\$ 279,846	\$ 6,465	\$ 9,055	\$ 50,361	\$ 30,219	\$ 10,000	\$ 455	\$ 14,425	\$ 26,397	\$ 3,308	\$ -	\$ -	\$ 30,332	\$ 488,032

MADISON PARISH POLICE JURY

GENERAL

COMPENSATION PAID POLICE JURORS. The schedule of compensation paid to police jurors is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the Madison Parish Police Jury members is included in the general administrative expenditures of the general fund. Members of the governing board receive compensation pursuant to Louisiana Revised Statute 33:1233.

**Schedule of Compensation Paid Police Jurors
For the Year Ended December 31, 2008**

James J. Griffin, Jr., President	\$ 12,848
Thomas J. Williams, Sr.	352
Robert D. Fortenberry	12,000
George R. Skipper	320
Paxton J. Branch, Sr.	320
Linda Guice	320
Henry Tyler, Jr.	11,680
Stanley Ogden	11,680
Jane G. Sanders	<u>11,680</u>
Total	<u>\$ 61,200</u>

SINGLE AUDIT INFORMATION

DAVID Q. RICHARDSON

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**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed In Accordance With Government Auditing Standards**

Police Jurors
Madison Parish Police Jury
Tallulah, Louisiana

I have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Madison Parish Police Jury as of and for the year ended December 31, 2008, which collectively comprise the Police Jury's basic financial statements of the Police Jury's primary government and have issued my report thereon dated June 30, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Police Jury's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Police Jury's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Police Jury's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below I identified one deficiency in internal control over financial reporting that I consider to be a significant deficiency.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. I consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as Item 08-F1 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Police Jurors
Madison Parish Police Jury
Tallulah, Louisiana

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. I believe the significant deficiency identified as 08-F1 above is not a material weakness in the Police Jury's internal control.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Police Jury's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed two instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are in the accompanying Schedule of Findings and Questioned Costs as items 08-F2 and 08-F3.

The Police Jury's response to the findings identified in my audit are described in the accompanying Corrective Action Plan. I did not audit the Police Jury's response and, accordingly, I express no opinion on it.

This report is intended solely for the information and use of the Jury members, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Office of Louisiana Legislative Auditor as a public document.

David Q. Richardson, CPA



Tallulah, Louisiana
June 30, 2009

DAVID Q. RICHARDSON

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**Report on Compliance With Requirements Applicable to
Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

Police Jurors
Madison Parish Police Jury
Tallulah, Louisiana

Compliance

I have audited the compliance of the Madison Parish Police Jury with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2008. The Madison Parish Police Jury's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Madison Parish Police Jury's management. My responsibility is to express an opinion on the Police Jury's compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and *OMB Circular A-133* require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Police Jury's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of the Police Jury's compliance with those requirements.

In my opinion, the Police Jury complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Madison Parish Police Jury is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Police Jury's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Police Jury's internal control over compliance.

Police Jurors
Madison Parish Police Jury
Tallulah, Louisiana

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, Jury members, others within the entity, the Louisiana Legislative Auditor, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

David Q. Richardson CPA



Tallulah, Louisiana
June 30, 2009

**MADISON PARISH POLICE JURY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	<u>CFDA Number</u>	<u>Pass-Through Grantor No.</u>	<u>"Restated" Expenditures</u>
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CASH FEDERAL AWARDS

United States Department of Interior

Direct Program - Payment in Lieu of Taxes	15.228	N/A	\$ 102,730
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Wildlife and Fisheries:

Co-operative Agreement: Quebeck Road Improvement Project	15.UKN	N/A	<u>790,631</u>
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Total United States Department of Interior			<u>893,361</u>
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United States Department of Homeland Security

**Passed Through Louisiana Office of Homeland Security
and Office of Emergency Preparedness:**

Homeland Security Grant Program	97.067	N/A	<u>15,000</u>
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TOTAL FEDERAL AWARDS			<u><u>\$ 908,361</u></u>
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**MADISON PARISH POLICE JURY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Madison Parish Police Jury. The Police Jury's reporting entity is defined in Note 1 to the Police Jury's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Police Jury's financial statements as follows:

<u>Funds</u>	<u>Federal Sources</u>
General	\$ 8,777
Library	13,954
Garbage Maintenance	22,912
Health Unit	6,809
Public Works	834,022
Courthouse and Jail	6,887
Grant	<u>15,000</u>
Total	<u><u>\$ 908,361</u></u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - FEDERAL AWARDS For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

MADISON PARISH POLICE JURY
NOTES TO THE SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008

PART I - Summary of the Auditors' Results

Financial Statement Audit

- i. The type of audit report issued was an adverse opinion on the aggregate discretely presented component units and an unqualified opinion on the governmental activities, each major fund and the aggregate remaining fund information.
- ii. There was a reportable condition required to be disclosed by *Government Auditing Standards*, issued by the Comptroller General of the United States of America. The reportable condition was not considered to be a material weakness.
- iii. There were two instances of noncompliance considered material, as defined by the *Government Auditing Standards*, to the financial statement.

Audit of Federal Awards

- iv. There were no reportable conditions required to be disclosed by *OMB Circular A-133*.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under *OMB Circular A-133*, Section .510(a).
- vii. The major federal program is:

Co-operative Agreement: Quebec Road Improvement Project CFDA# 15.UKN
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in *OMB Circular A-133*, Section .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under *OMB Circular A-133*, Section .530.

**MADISON PARISH POLICE JURY
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008**

PART II Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: 08-F1 Local Government Budget Act

Criteria or specific requirement: The "Louisiana Local Government Act" requires budgets be amended if expected actual revenues are five percent less than budgeted revenues or expected actual expenditures are 5% greater than budgeted expenditures.

Condition found: The Police Jury had budgeted revenues which exceeded that of actual revenues and/or actual expenditures which exceeded budgeted expenditures greater than 5% in the following funds: General Fund, Public Works Fund, Health Unit, Courthouse and Jail Fund, and Garbage Maintenance.

Possible asserted effect (cause and effect):

Cause: Revenues or expenditures exceeded the budget which was amended in December because the Police Jury did not adequately compare the budgets with the financial records.

Effect: The agency is in violation of Louisiana Revised Statute LSA-R.S. 39:1309-1310.

Recommendations to prevent future occurrences: The Police Jury should monitor the budget closely and amend the budget as is necessary in order to comply with the Local Government Budget Act.

Reference # and title: 08-F2 Timely Filed Audit Report

Criteria or specific requirement: Louisiana Revised Statute 24:513 requires all audit engagements be completed and transmitted to the Louisiana Legislative Auditor within six months of the close of the entity's year end. Accordingly, this audit report for the year ended December 31, 2008 was due to the Legislative Auditor by June 30, 2009.

Condition found: The Police Jury's financial records were not complete and in auditable condition until the first week of June 2009. This did not allow time for the audit to be completed by the June 30, 2009, deadline.

Possible asserted effect (cause and effect):

Cause: The 2007 financial records and 2007 audit report were not finalized until December 2008. This caused the Police Jury to have a very late start on finalizing the 2008 financial records.

MADISON PARISH POLICE JURY
SCHEDULE OF CURRENT YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2008

PART II CONTINUED

Effect: The Police Jury is in violation of Louisiana Revised Statute 24:513.

Recommendations to prevent future occurrences: Now that the accounting staff is at full strength, the Police Jury should prepare accurate financial statements monthly.

Reference # and title: 08-F3 Ethics Violation

Criteria or specific requirement: Louisiana ethics laws and the Police Jury hiring practices forbid the direct supervision of a member of an employee's family.

Condition found: The Police Jury promoted an employee to superintendent whose son worked as an employee in the maintenance barn.

Possible asserted effect (cause and effect):

Cause: This was the result of a promotion of an employee who had a son employed in the department he supervised.

Effect: The superintendent has direct supervision of his son.

Recommendations to prevent future occurrences: Employee files and relationships should be monitored in the future to prevent this from happening again.

OTHER INFORMATION

The information in the following section concerns management's actions or intentions concerning prior- and current-year audit findings. This information has been prepared by the management of the Madison Parish Police Jury. Management accepts full responsibility for the accuracy of the information. This information has not been audited by the auditor and accordingly, no opinion is expressed.

MADISON PARISH POLICE JURY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2008

Reference # and title: 07-F1 Local Government Budget Act

Condition found: The Police Jury had budgeted revenues which exceeded that of actual revenues and/or actual expenditures which exceeded budgeted expenditures greater than 5%.

Corrective action planned: See current-year finding 08-F1.

Reference # and title: 07-F2 Timely Filed Audit Report

Condition found: The Police Jury's financial records were not complete and in auditable condition until the beginning of June, 2009, and therefore could not file timely audit reports.

Corrective action planned: See current year funding 08-F2.

Reference # and title: 07-03 Timely Recording of Financial Records

Condition found: The Police Jury's financial records were not being recorded timely.

Recommendations: The accounting department should be required to complete the financial records monthly.

Status: The finding has been corrected.

**MADISON PARISH POLICE JURY
CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2008**

Reference # and title: 08-F1 Local Government Budget Act

Condition found: The Police Jury had budgeted revenues which exceeded that of actual revenues and/or actual expenditures which exceeded budgeted expenditures greater than 5% in the following funds: General Fund, Health Unit, Courthouse and Jail Fund, and Public Works Fund.

Corrective action planned: Management will monitor budget to actual variances more frequently and closely so that required amendments are made in a timely manner to ensure compliance with the budget law.

Person responsible for corrective action:

Margaret Dew, Secretary-Treasurer
Madison Parish Police Jury
100 North Cedar Street
Tallulah, LA 71282

Phone: (318) 574-3451
Fax: (318) 574-3122

Anticipated completion date: December 31, 2008.

Reference # and title: 08-F2 Timely Field Audit Report

Condition found: The Police Jury did not file the December 31, 2008, audit report by the June 30, 2009, deadline.

Corrective action planned: The 2009 audit report will be filed on or before June 30, 2010.

Person responsible for corrective action:

Margaret Dew, Secretary-Treasurer
Madison Parish Police Jury
100 North Cedar Street
Tallulah, LA 71282

Phone: (318) 574-3451
Fax: (318) 574-3122

Anticipated completion date: June 30, 2010.

MADISON PARISH POLICE JURY
CORRECTIVE ACTION PLAN FOR CURRENT YEAR FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2008

Reference # and title: 08-F3 Ethics Violation

Condition found: The superintendent was in direct supervision of his son.

Corrective action planned: The son was hired under a Workforce Investment Program prior to the father becoming superintendent. When his six month period with the Workforce Investment Program was finished, the son was terminated.

Person responsible for corrective action:

Margaret Dew, Secretary-Treasurer
Madison Parish Police Jury
100 North Cedar Street
Tallulah, LA 71282

Phone: (318) 574-3451
Fax: (318) 574-3122

Anticipated completion date: June 30, 2009